

City of Detroit


CITY COUNCIL

DAVID D. WHITAKER
Director
(313) 224-4946

DIVISION OF RESEARCH & ANALYSIS
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 216
Detroit, Michigan 48226
(313) 224-4946
FAX: (313) 224-0368

PEGGY ROBINSON
Deputy Director
(313) 224-4946

To: Honorable City Council

From: David D. Whitaker, Director 
Research and Analysis Division (RAD) Staff

Re: **REQUIREMENT OF CITY COUNCIL APPROVAL FOR
THE CITY'S DEFICIT ELIMINATION PLAN**

Date: July 9, 2010

During Council's Formal Session on July 7, 2010, Your Honorable Body requested that RAD provide an opinion on whether approval from City Council is required in order for the City to submit its deficit elimination plan. This is RAD's Report at this time.

The Michigan state legislature and Supreme Court have provided extensive, specific previous guidance on this issue. The answer is yes. Approval from City Council is required in order for the City to implement its deficit elimination plan.

Section 17 of the Uniform Budget and Accounting Act (UBAA), MCL 141.437, states:

(1) Except as otherwise provided in section 19,¹ a deviation from the original general appropriations act shall not be made without amending the general appropriations act. Subject to section 16(2), the legislative body of the local

¹ Section 19, MCL 141.439, states:

(1) A member of the legislative body, the chief administrative officer, an administrative officer, or an employee of a local unit shall not authorize or participate in the expenditure of funds except as authorized by a general appropriations act. An expenditure shall not be incurred except in pursuance of the authority and appropriations of the legislative body of the local unit.

(2) The legislative body in a general appropriations act may permit the chief administrative officer to execute transfers within limits stated in the act between appropriations without the prior approval of the legislative body.

unit shall amend the general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined. An amendment shall indicate each intended alteration in the purpose of each appropriation item affected by the amendment. The legislative body may require that the chief administrative officer or fiscal officer provide it with periodic reports on the financial condition of the local unit.

(2) If, during a fiscal year, it appears to the chief administrative officer or to the legislative body that the actual and probable revenues from taxes and other sources in a fund are less than the estimated revenues, including an available surplus upon which appropriations from the fund were based and the proceeds from bonds or other obligations issued under the fiscal stabilization act, 1981 PA 80, MCL 141.1001 to 141.1011, or the balance of the principal of these bonds or other obligations, the chief administrative officer or fiscal officer shall present to the legislative body recommendations which, if adopted, would prevent expenditures from exceeding available revenues for that current fiscal year. The recommendations shall include proposals for reducing appropriations from the fund for budgetary centers in a manner that would cause the total of appropriations to not be greater than the total of revised estimated revenues of the fund, or proposals for measures necessary to provide revenues sufficient to meet expenditures of the fund, or both. The recommendations shall recognize the requirements of state law and the provisions of collective bargaining agreements. (emphasis added)

The UBAA thus expressly requires that the Mayor's deficit elimination plan be incorporated as an amendment to the budget, which must be submitted to and approved by City Council, as soon as it becomes apparent that deviation from the original budget is necessary to rectify a budgetary imbalance.

In *City Council v Stecher*, 449 Mich 670 (1995) (*Stecher III*), the issue before the Michigan Supreme Court was whether the Mayor must obtain approval from Council before implementing a savings plan designed to reduce a projected budget deficit. The court held that while Council's approval is required before specific budget appropriations can be reduced, the Mayor may act to reduce expenditures pending approval of his budget recommendations. Insofar as the Mayor's savings plan included "deviations" from the budget, or "reallocation or diversion" of previously budgeted funds from one use to another, Council approval was required. In that case, the Mayor's budget reduction recommendations were rejected by the Council, on the basis that they did not constitute a comprehensive savings plan and because they were not accompanied by sufficient supporting information. 449 Mich, at 673 The *Stecher III* court said that § 17 of UBAA does not preclude the mayor from taking steps in advance of action by the city council to prevent escalation of an impending fiscal crisis.

Regarding the role of City Council, *Stecher III* goes on to state "Underlying § 17 is the notion that the legislative body is a necessary player in any effort to reorganize a

municipality's budget priorities. Even in times of financial crisis, the determination of budget priorities is a collaborative process between municipal administrative and legislative officers under the UBAA. However, while § 17 prevents the executive branch from unilaterally modifying the city's budget and appropriations, it does not preclude executive action designed to prevent the city from continuing to operate at a deficit pending city council approval." *Id.*, at 684 (emphasis added)

In addition to the above requirements for implementing a deficit elimination plan as a budget amendment, the requirements of the State Revenue Sharing Act, MCL 141.921, include "acceptable evidence to support" the deficit elimination plan, as specified in the State Treasurer's letter to the City Finance Director dated June 11, 2010 (attached). Such acceptable evidence can include certified copies of council resolutions approving additional appropriations and a copy of the journal entry that shows the transfer has been made or a trial balance; or a projected budget approved by City Council, and as evidenced by a certified resolution.

Moreover, the State Treasury Department's official guidance document regarding a Deficit Elimination Plan (attached) specifically states **"The deficit elimination plan must be approved by the legislative body of the local unit of government..."** (emphasis added)

If Your Honorable Body has any other questions or concerns regarding this subject, RAD will be happy to provide further research and analysis upon request.



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

Budget, Finance & Audit
Standing Committee
Referred to Committee: 6-22-10
LINE ITEM# 31 Date: 6-23-10
Disposition BB

BUDGET, FINANCE & AUDIT
Standing Committee
Date: 6-30-10
UNFINISHED BUSINESS # 3
Disposition Put on

ALL CORRESPONDENCE SHOULD REFER TO STA.....

DEFICIT ELIMINATION
PLAN NOTIFICATION

State ID Number
82-2050

June 11, 2010

Formal Session of 7-7-10
Line Item#(s) 89
From: ☒ BF&A ☐ PH&S ☐ P&ED ☐ TR&SP
☐ N&CS ☐ IO ☐ CA ☐ New Bus.
Authorized Staff to
Failed Committee

Finance Director
City of Detroit
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, Michigan 48226-3413

BUDGET, FINANCE & AUDIT
Standing Committee
Date: 7-9-10
UNFINISHED BUSINESS # 3
Disposition

Dear City of Detroit:

We have received an audit report from your local unit, which indicates a deficit balance in one or more funds as follows:

<u>FUND</u>	<u>AMOUNT</u>	<u>SOURCE OF INFORMATION</u>
General Fund	\$331,925,012	Audited Financial Statements 6/30/09, p. 33

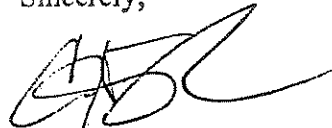
According to MCL 141.921 and Attorney General Opinion No. 6154, if a local unit of government ends its fiscal year in a deficit condition, the local unit of government shall formulate and file a financial plan with the Department of Treasury within 90 days after the beginning of the fiscal year to correct the deficit. The local unit of government shall file the financial plan with the Department of Treasury for evaluation and certification to ensure the correction of the deficit condition. Upon certification by the Department of Treasury, the local unit shall institute the plan.

Your deficit elimination plan is due within 30 days from the date of this letter. If the deficit elimination plan is not filed within that 30-day time period, we will recommend that 25% of your State-Shared Revenue be withheld pursuant to MCL 141.921(2). The plan should identify exactly how the deficit is to be eliminated. The following are acceptable evidence to support a plan:

1. Certified copies of board/council resolutions (describing funds and amounts) approving additional appropriations sufficient to eliminate the deficit and a copy of the journal entry that shows that the transfer has been made or a trial balance.
2. Projected budget approved by the legislative body as evidenced by a certified resolution itemizing yearly revenues by source, expenditures/expenses by activity, and changes in the fund balance/retained earnings through the year of the deficit's eventual elimination. There is a five-year limit for an approved plan; the plan must be amended if the deficit increases or the plan is not otherwise followed.

After receiving your plan, we will notify you in writing if additional information is needed or that your plan has been certified. If you have any questions or concerns, please do not hesitate to contact Gene Arlt at (517) 241-4234. Our mailing address is Michigan Department of Treasury, Local Audit and Finance Division, P.O. Box 30728, Lansing, MI 48909-8228.

Sincerely,



Cary Jay Vaughn, CPA
Audit Manager
Local Audit and Finance Division

c: / City Clerk
City Treasurer

www.michigan.gov
(To Print: use your browser's print function)

Release Date: May 15, 2007
Last Update: April 12, 2010

Deficit Elimination Plan

In accordance with Public Act 140 of 1971, a local unit of government ending its fiscal year in a deficit condition shall formulate and file a deficit elimination plan with the Department of Treasury within 90 days after the beginning of the next fiscal year to correct the condition.

A deficit condition is defined as a fund where the total expenditure for that fund, including an accrued deficit, exceeds total revenues in that fund for the fiscal year.

General Plan Requirements:

- The deficit elimination plan must be approved by the legislative body of the local unit of government and a copy of the resolution must accompany the plan when filed with the Department of Treasury.
- A plan generally should be for one year, but in no case longer than five years.
- An audit firm hired by the local unit of government may provide advice; however, it cannot issue a deficit elimination plan.
- Once approved, the local unit will receive a signed certification letter.

Acceptable Plan Documentation:

- Interim financial statements documenting the elimination of the deficit within the current period.
- Certified copies of board/council resolutions (describing funds and amounts) approving additional appropriations sufficient to eliminate the deficit and a copy of the journal entry that shows that the transfer has been made.
- A current year or projected budget approved by the legislative body as evidenced by a certified resolution itemizing yearly revenues by source, expenditures/expenses by activity, and changes in the unreserved fund balance/unrestricted net assets through the year of the deficit's eventual elimination. The revenue and expenditure detail should correspond with the audit report. There is a five-year limit for an approved plan; the plan must be amended if the deficit increases or the plan is not otherwise followed.
- For tax increment finance or downtown development authorities, the ordinance or plan approving their existence is acceptable if it shows the flow of revenues and the priority of expenditures that would support the deficit elimination plan.
- For drain or other special assessment-type funds that have deficits, which are not "covered" on the balance sheet by a long-term receivable and deferred revenue, a letter from the Drain Commissioner summarizing assessment levies which could not be recognized for the audited fiscal year due to generally accepted accounting principles, will suffice as a deficit elimination plan.

It is extremely important to show the details for all revenue enhancements and likewise for all expenditure cuts. To be considered for approval, a plan must be substantive, quantifiable and realistic.

Contact information for questions or concerns:

Local Audit and Finance Division
Michigan Department of Treasury
P.O. Box 30728
Lansing, Michigan 48909-8228
(517) 373-0660
Treas_MunicipalFinance@michigan.gov

Sample Legislative Body Resolution and Multiple Year Deficit Elimination Plan:

(Sample Legislative Body Resolution and Deficit Elimination Plan)

WHEREAS (Sample Unit)'s Park Fund has a \$175,000 deficit fund balance on December 31, 2002;
and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury;

NOW THEREFORE, IT IS RESOLVED that the (Sample Unit)'s legislative body adopts the following as the (Sample Unit) Park Fund Deficit Elimination Plan:

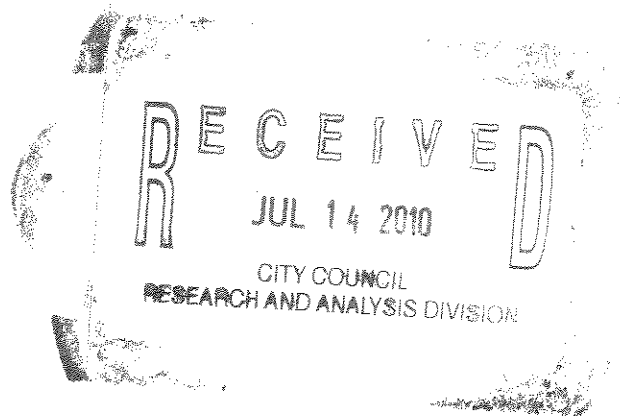
	2003	2004	2005	2006
Fund Balance (Deficit) January 1	\$(175,000)	\$(169,000)	\$(93,000)	\$(17,000)
Revenue				
Property Taxes	60,000	75,000	76,500	78,000
State Grants	95,000			
Charges for Services	95,000	96,000	96,000	99,500
Other	1,000	1,000	1,500	1,400
General Fund	50,000	50,000	50,000	
Total Revenue	206,000	222,000	225,000	178,000
Expenditures				
Salaries and Wages	115,000	120,500	122,000	124,000
Supplies	15,000	15,500	16,000	16,000
Equipment Repair	4,000	4,000	4,500	4,500
Contractual Services	5,000	5,000	5,500	5,500
Other	1,000	1,000	1,000	1,200
Capital Outlay	60,000			
Total Expenditures	200,000	146,000	149,000	159,700
Fund Balance (Deficit) December 31	\$(169,000)	\$(93,000)	\$(17,000)	\$2,200

BE IT FURTHER RESOLVED that the (Sample Unit)'s (Official's Title) submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

ADD CLERK'S CERTIFICATION

July 8, 2010

Honorable City Council,



RE: Deficit Elimination Plan for Fiscal Year 2009

In response to the letter dated June 11, 2010 from the State of Michigan Department of Treasury requesting a deficit elimination plan in accordance to MCL 141.921 the City of Detroit is submitting the attached information.

The response includes previously approved City Council action.

If you have any other questions let me know.

Respectfully submitted,

Norman L. White
Chief Financial Officer



July 8, 2010

Mark Haas
Deputy State Treasurer
P.O. Box 30128
Lansing, Michigan 48909-8228

**Re: Deficit Elimination Plan – City of Detroit
State ID Number 82-2050**

In response to your letter dated June 11, 2010 requesting a deficit elimination plan in support of our 2009 CAFR filed May 2010, and in accordance with MCL 141.921 the City of Detroit is submitting an update to the deficit elimination documents filed with the 2008 CAFR report which was filed March 2010. The 2009 deficit elimination plan attached was done in a similar format as the 2008 deficit elimination plan. With the filing of this 2009 CAFR we are not current with all CAFR requirements. In accordance with state law we expect to file our 2010 CAFR by December 31, 2010, and will include a deficit elimination plan at that time.

On April 13, 2010, Mayor Bing submitted a Fiscal Year 2010-11 proposed budget to City Council in the amount of \$2,909,646,264. After City Council deliberation they amended the proposal by \$31.8 million (see Attachment A). On June 29, 2010, City Council approved a budget amendment in the amount of \$17.8 million for the Fiscal Year 2010-11 (see Attachment B). The result of these actions is an Appropriation in the Fiscal Year 2010-11 budget for Prior Year Deficit of \$99,548,169.

FY 2008-09 CAFR	\$	(331,925,012)	
Fiscal Stabilization Bonds		<u>250,000,000</u>	
		(81,925,012)	
FY 2009-10 Estimated Operating Results		<u>(17,623,157)</u>	
FY 2009-10 Accumulated Deficit	\$	(99,548,169)	See Note Below
FY 2010-11 Budget			
Operating Surplus		14,023,461	See Attachment C
Restructuring/Consolidation		<u>85,524,708</u>	See Attachment D
	\$	99,548,169	

Deficit Elimination Plan – City of Detroit
State ID Number 82-2050
Page 2

FY 2011- 2013


Restructuring/Consolidation	{	\$ 85,524,708.00
Reduction of leased property		
Departmental Consolidations		
Staff Consolidations		
Purchasing Consolidations		
Land Sales		

Note :FY 2009-10 Accumulated Deficit

Prior Year Deficit	117,350,428	See Attachment E
6/29/10 Budget Amendment	<u>(17,802,259)</u>	See Attachment B
Adjusted Prior Year Deficit	\$ 99,548,169	

Each of these actions has been approved by City Council as evidenced by the true copy certificate of the City Clerk and together result in the deficit elimination plan for the City.

Submitted by,


Norman L. White
Chief Financial Officer

Attachments

TRUE COPY CERTIFICATE

Attachment A

Form C of D—16-CE

STATE OF MICHIGAN, }
City of Detroit } ss.

CITY CLERK'S OFFICE, DETROIT

I, JANICE M. WINFREY, City Clerk of the City of Detroit, in said
State, do hereby certify that the annexed paper is a TRUE COPY OF RESOLUTION
Adjourned
adopted (passed) by the City Council at session of

May 21, 2010

and approved by Mayor

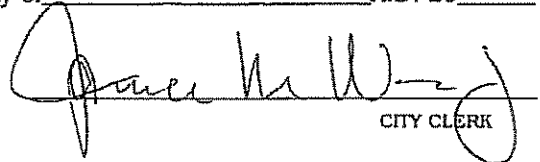
June 2, 2010

as appears from the Journal of said City Council in the office of the City Clerk of Detroit, aforesaid;
that I have compared the same with the original, and the same is a correct transcript therefrom, and of the
whole of such original.

In Witness Whereof, I have hereunto set my hand
and affixed the corporate seal of said City, at

Detroit, this 8th

day of July A.D. 2010


CITY CLERK



May 6, 2010

Honorable City Council

Re: Correction of Errors to the 2010-2011 Mayor's Budget (FIRST ERRATA Letter)

After further review of the 2010-2011 Budget submitted on April 12, 2010, errors and amendments have been discovered which should be corrected. There are two categories of corrections. First, there are "substantive" errors, which must be corrected as an amendment to the Recommended Budget. Second, there may have been typographic and/or data entry errors, which do not affect appropriation totals or budget balancing. The "substantive" corrections will be identified with (*), and will be addressed in the attached resolution.

Non-Departmental (35)*

The following change will increase the allocated amount and show the correct split for the POC Swap obligation. This correction will impact the Agency's total by \$35,556.

On Page 35-5 of the Executive Budget – Appropriation No. 12949-POC Swap Hedge Payment 2009

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
350121 POC Transaction (eff. CY 2009)	\$50,701,419	\$45,444,142	\$5,257,277
350122-POC Swap Hedge Payment 2009	\$45,444,142	\$50,736,975	\$5,292,833
Appropriation Change	\$96,165,561	\$96,201,117	\$35,556

Fire Department (24)*

The following change will increase the salary and fringe accounts deleted in error. This correction will impact the Agency's total.

On Page 24-4 of the Executive Budget – Appropriation No. 00064 Executive Management and Support

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
240020-Administration-Community Relations	\$452,607	\$721,476	\$268,869
Appropriation Change	\$3,842,334	\$4,111,203	\$268,869

On Page 24-17 of the Executive Budget – Appropriation 00064-Executive Management and Support. This change will correct the Agency's position information.

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
Asst Fire Dept Comm Rel Coord	0	1	1

Fire Comm Relations Officer-Lt	2	3	1
Agency Position Total	1,470	1,472	2

Department of Public Works (19)*

As a result of a Settlement Agreement with the union, the following change will increase the funding allocation for City Engineer-Seasonals. This change will impact the Agency's total.

On Page 19-19 of the Executive Budget – Appropriation 00910 – City Engineer

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
191704-City Engineering Seasonals	\$171,319	\$253,423	\$82,104
Appropriation Change	\$3,186,582	\$3,268,686	\$82,104

Planning and Development Department (36)*

Currently, the following organization 365060-Abatement Approvals and Monitoring is appearing under a block grant Appropriation and should appear under a general fund Appropriation No. 13166-Business Outreach. This is a technical change and will not impact the Agency's total.

On Page 36-15 of the Executive Budget - Appropriation No.13167-Administration

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
365060-Abatement Approvals and Monitoring	\$298,100	\$0	(\$298,100)
Appropriation Change	\$3,426,457	\$3,128,357	(\$298,100)

On Page 36-15 of the Executive Budget-Appropriation No. 13166-Business Outreach

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
365060-Abatement Approvals and Monitoring	\$0	\$0	\$298,100
Appropriation Change	\$2,020,990	\$2,319,090	\$298,100

On Page 36-14 and 36-15 of the Executive Budget-Appropriation No. 13166-Business Outreach

The following change is a technical adjustment to reduce the salary and fringe accounts which were inadvertently overstated.

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
365010-Welcome Center/Business Admin.	\$902,964	\$771,995	(\$130,969)
365030-Office of Neighborhood & Commercial	647,902	543,986	(103,916)
365040-Development-City	403,917	332,018	(71,899)
Appropriation Change	\$2,319,090	\$2,012,306	(\$306,784)

On Page 36-58 of the Executive Budget – Appropriation No. 13166-Business Outreach;
365040-Development

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
Asst Contract Comp Officer	0	1	1
Contract Comp Officer	0	2	2
Appropriation Change	9	12	3

Appropriation No. 13167 Administration; 365060-Abatement Approvals and Monitoring

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
Asst Contract Comp Officer	1	0	(1)
Contract Comp Officer	2	0	(2)
Appropriation Change	23	20	(3)

Non-Departmental (35)*

The following change will correct the Risk Management Fund Premium-General Fund, correct D-DOT's subsidy and establish a new appropriation number for Fiscal Stabilization Bond Expense. These corrections will impact the Agency's total.

On Page 35-4 of the Executive Budget-Appropriation No. 00852 Claims Fund (Insurance Premium)

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
350220-Claims Fund (Insurance Premium)	\$63,886,675	\$63,168,180	(\$718,495)
Appropriation Change	\$63,886,675	\$63,168,180	(\$718,495)

On Page 35-28 of the Executive Budget – Appropriation No. 00341-Tax Support-DOT.
This change will correct the General Fund Subsidy total and coincide with D-DOT's total.

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
350080-DOT Operations	\$55,182,833	\$55,821,583	\$638,750
Appropriation Change	\$55,182,833	\$55,821,583	\$638,750

On Page 35-28 of the Executive Budget – Appropriation No. 11519- Fiscal Stabilization Bond Expense

This is a technical adjustment to switch to a new appropriation to keep fiscal stabilization bond expenses separate.

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
351031-Fiscal Stabilization Expense	\$14,067,093	\$0	(\$14,067,093)
Appropriation Change	\$14,067,093	\$0	(\$14,067,093)

Add Appropriation 13181- Fiscal Stabilization Bonds (DSA)

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
351029-Fiscal Stabilization Bonds	\$0	\$14,067,093	\$14,067,093
Appropriation Change	\$0	\$14,067,093	\$14,067,093

Library (72)*

The following changes will correct a data entry error for uncollectible property taxes in the Library to show a negative versus a positive number. This account represents uncollectible property taxes. State sales tax-state revenue sharing is being adjusted to match current estimates. These changes will impact the Agency's total.

On Page 72-11 of the Executive Budget-Appropriation No. 10454-DPL-Administrative Management

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
401150-Uncollectible Property	\$954,000	(\$954,000)	(\$1,908,000)
422141-State Sales Tax – SRS	331,765	330,756	(1,009)
422142-State Sales Tax - SRS	1,086,226	1,004,914	(81,312)
Appropriation Change	\$52,389,491	\$50,399,170	(\$1,990,321)

On Page 72-4 of the Executive Budget – Appropriation No. 10454-DPL-Administrative Management. The change will enable the Library fund to remain in balance.

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
720002-DPL Admin Operations	\$5,127,331	\$3,137,010	(\$1,990,321)
Appropriation Change	\$34,177,972	\$32,187,651	(\$1990,321)

Water (42)*

The following change will switch funding between two organizations within the same appropriation to properly allocate cost. This change has not impact on the Agency's total.

On Page 42-16 of the Executive Budget-Appropriation No. 00161-Asset Maintenance Group

2010-11 Mayor's Budget Recom	Current Recommendation	Proposed Recommendation	Difference
424190-Water Board Building	\$5,781,106	\$2,281,106	(\$3,500,000)

424240-Maintenance and Repair 2004	9,511,771	13,011,771	3,500,000
Appropriation Change	\$27,768,774	\$27,768,774	\$0

Planning and Development (36)*

The following block grant allocation adjustments will amend the 2010-11 Mayor's Recommended Budget to reflect updated information from the funding source and to correspond with Planning and Development Department Action Plan for HUD programs including Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons With AIDS (HOPWA):

On Page 36-4 of the Executive Budget - Appropriation No. 06040 - PDD Administration BG. Restore funding for ten (10) positions.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
360010 - Administration	14	\$1,891,615	19	\$2,602,136	5	\$710,521
360012 - Grants/MIS	8	731,533	9	816,347	1	84,814
360013 - Financial Management	13	1,040,226	14	1,120,987	1	80,761
360015 - Contract Compliance	7	841,743	10	1,084,934	3	243,191
Appropriation Change	42	\$3,708,170	52	\$4,827,458	10	\$1,119,288

On Page 36-15 of the Executive Budget – Appropriation No. 13167 – Administration. Restore funding for five (5) positions.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
365070-Development BG	20	\$3,128,357	25	\$3,481,709	5	\$353,352
Appropriation Change	20	\$3,128,357	25	\$3,128,357	5	\$353,352

On Page 36-20 of the Executive Budget – Appropriation No. 13169 – Planning; Restore funding for one (1) position.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
365100-Planning	12	\$1,696,021	13	\$1,804,304	1	\$108,283
Appropriation Change	12	\$1,696,021	13	\$1,804,304	1	\$108,283

On Page 36-20 of the Executive Budget – Appropriation No. 13172 – Eastern Market Project; Reallocate funds to Public Facility Rehabilitation category.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
365180-Eastern Market Project	0	\$500,000	0	0	0	(\$500,000)
Appropriation Change	0	\$500,000	0	0	0	(\$500,000)

On Page 36-20 of the Executive Budget – Appropriation No. 13173 – Riverfront Project;
Reallocate funds to Public Facility Rehabilitation category.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
365190-Riverfront Projects	0	\$804,345	0	0	0	(\$804,345)
Appropriation Change	0	\$804,345	0	0	0	(\$804,345)

On Page 36-43 of the Executive Budget – Appropriation No. 06087 Senior Citizens
Repair Program BG. Increase allocation.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
360666 Senior Citizens Repair Program BG	0	\$2,532,541	0	\$2,608,127	0	75,586
Appropriation Change	0	\$2,532,541	0	\$2,608,127	0	75,586

On Page 36-43 of the Executive Budget – Appropriation No. 06667 NRR Rehabilitation;
Change the organization description from 360041-Neighborhood Development to Public Service. The allocation of \$2,500,000 will remain the same.

On Page 36-43 of the Executive Budget – Appropriation No. 11495 Capacity Building;
Decrease the allocation.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
360051 Capacity Building	0	\$675,586	0	\$150,000	0	(\$525,586)
Appropriation Change	0	\$675,586	0	\$150,000	0	(\$525,586)

On Page 36-43 of the Executive Budget – Add Appropriation No. 11497 Public
Improvements category.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
360062 Public Improvements	0	\$0	0	\$1,187,062	0	\$1,187,062
Appropriation Change	0	\$0	0	\$1,187,062	0	\$1,187,062

On Page 36-43 of the Executive Budget – Increase Appropriation No. 11507 Economic
Development

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference
364042 Economic Development	0	\$500,000	0	\$727,915	0	\$227,915
Appropriation Change	0	\$500,000	0	\$727,915	0	\$227,915

On Page 36-44 of the Executive Budget-Appropriation No. 13170 – Neighborhood Outreach and Administration.

The following change will correct the funding for transferring positions between organizations.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Differences
365110 Housing Services	37	\$4,012,295	37	\$3,933,137	0	(\$79,158)
365130-Neighborhood Development Public	8	\$827,911	9	884,996	1	57,055
Appropriation Change	54	\$5,715,027	55	\$5,692,924	1	(\$22,103)

On Page 36-44 of the Executive Budget – Appropriation No. 11815 –Emergency Shelter Staff. Decrease amount based upon notification from HUD.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Differences
366145-Emergency Shelter Year II – PDD	0	\$1,633,242	0	\$1,624,890	0	(\$8,352)
Appropriation Change	0	\$1,633,242	0	\$1,624,890	0	(\$8,352)

On Page 36-44 of the Executive Budget – Appropriation No. 13171-HOME Administration. Restore one (1) position. This is a technical change.

2010-2011 Recommendations	FTE	Current Recom	FTE	Proposed Recom	FTE	Difference:
365160-HOME Administration	9	\$1,088,847	10	\$1,088,847	1	\$0
Appropriation Change	0	\$1,088,847	10	\$1,088,847	1	\$0

On Page 36-50 of the Executive Budget – Appropriation No. 06102 – Letter of Credit BG. Increase amount based upon notification from HUD.

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
432200-Grants-Comm Dev Block Grant	\$32,911,567	\$35,367,357	\$2,455,790
Appropriation Change	\$32,911,567	\$35,367,357	\$2,455,790

On Page 36-51 of the Executive Budget – Decrease Revenue Appropriation 11770 – Book Cadillac Sec 108 Repayment; Organization is unable to meet obligation.

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
447555-Other Reimbursements	\$621,323	\$0	(\$621,323)
Appropriation Change	\$621,323	\$0	(\$621,323)

On Page 36-51 of the Executive Budget –Decrease Revenue Appropriation No. 12173 – Fort Shelby Sec 108 Repayment; Organization is unable to meet the obligation.

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
447555-Other Reimbursements	\$615,015	\$0	(\$615,015)
Appropriation Change	\$615,015	\$0	(\$615,015)

On Page 36-52 of the Executive Budget – Appropriation No. 11815 – Emergency Shelter Staff. Decrease amount based upon notification from HUD.

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
432190-Grants-Comm Program	\$1,633,242	\$1,624,890	(\$8,352)
Appropriation Change	\$1,633,242	\$1,624,890	(\$8,352)

City Council (52)*

The following change will increase block grant allocation.

On Page 52-7 of the Executive Budget – Add Appropriation No. 12434 – City Council Youth Employment

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
520146 City Council Youth Employment	\$0	\$150,000	\$150,000
Appropriation Change	\$0	\$150,000	\$150,000

On Page 52-9 of the Executive Budget – Add Appropriation No. 12434 – City Council Youth Employment

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
432200-Grants-Comm Dev BG	\$0	\$150,000	\$150,000
Appropriation Change	\$0	\$150,000	\$150,000

Health Department (25)*

The following change will reduce the HOPWA Aids Housing grant allocation per HUD.

On Page 25-22 of the Executive Budget – Appropriation No. 13020-HOPWA Aids Housing 6/2011

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
258846-HOPWA Aids Housing 6/2011	\$2,100,000	\$1,944,506	(\$155,494)
Appropriation Change	\$2,100,000	\$1,944,506	(\$155,494)

On Page 25-47 of the Executive Budget – Appropriation No. 13020-HOPWA Aids Housing 6/2011

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
431110-Grants-Health	\$2,100,000	\$1,944,506	(\$155,494)
Appropriation Change	\$2,100,000	\$1,944,506	(\$155,494)

Fire Department (24)*

This change will provide sufficient funding to cover the debt amount for the Fire Department's portion of the Pension UAAL.

On Page 24-4 of the Executive Budget; Appropriation No. 00718-Fire Fighting Operations

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
240195-Fire Fighting Operations	\$122,289,485	\$123,205,512	\$916,027
Appropriation Change	\$130,365,189	\$131,281,216	\$916,027

Police Department (37)*

This change will provide sufficient funding to cover the debt amount for the Police Department portion of the Pension-UAAL.

On Page 37-18 of the Executive; Appropriation No. 00118-Criminal Investigation Bureau

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
370439-Major/Organized Crime	\$62,777,702	\$62,856,233	\$78,531
Appropriation Change	\$73,242,571	\$73,321,102	\$78,531

Non-Departmental (35)*

This change will provide sufficient funding to cover the debt obligation for the General Fund portion of the Pension-UAAL.

On Page 35-28 of the Executive Budget; Appropriation No. 04443-Adjustments and Undistributed Costs

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
351032-Undistributed Pension	\$0	\$1,584,188	\$1,584,188
Appropriation Change	\$0	\$1,584,188	\$1,584,188

Non-Departmental (35)*

On Page 35-3 of the Executive Budget; Appropriation No. 00362-Tax Increment Districts;
Decrease appropriation to ensure adequate debt obligation for Police and Fire Department.

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
350100-DDA Tax Increment District	\$7,315,269	\$6,937,851	(\$377,418)
350110-GM Tax Increment District	\$113,975	\$97,696	(\$16,279)
350112-Misc. Captured Taxes	\$1,166,325	\$1,028,145	(\$138,180)
350130-GM Tax Increment Dist-Income Tax	\$896,000	\$0	(\$896,000)
Appropriation Change	\$12,039,438	\$10,611,561	\$1,427,877

On Page 35-31 and 35-32 of the Executive Budget; Appropriation No. 04739-General Revenue-Non-Departmental

2010-2011 Recommendations	Current Recom	Proposed Recom	Differences
407180-Payment In Lieu of Tax	\$1,300,000	\$1,800,000	\$500,000
447555-Other Reimbursements	\$5,684,420	\$6,335,289	\$650,869
Appropriation Change	\$851,150,084	\$852,300,953	\$1,150,869

Planning and Development Department (36)

See Attachment A for position information.

Police Department (37)

Attached is a corrected page for 37-14.

The above changes will impact the total budget by a net increase of \$366,154 in appropriations and revenues from \$2,909,646,264 to \$2,910,012,418. The position total will increase from 13,392 to 13,412.

I will be available to address any concerns or questions that you may have.

Ord. Sec. #1

ADOPTED AS FOLLOWS:
COUNCIL MEMBERS...

		YEAS	NAYS	YEAS	NAYS
Gary	BROWN	✓		✓	
Kenneth V.	COCKREL, JR	✓		✓	
Saunteel	JENKINS	✓		✓	
Brenda	JONES	✓		✓	
Kwame	KENYATTA	✓		✓	
Andre L.	SPIVEY	✓		✓	
James	TATE	✓		✓	
Jo Ann	WATSON	✓		✓	
Charles PRESIDENT	PUGH	✓			
* PRESIDENT PRO TEM.					
<i>9-0</i>				9	0

(2)

CLOSING RESOLUTION

BY COUNCIL MEMBER _____:

Cochran

WHEREAS, The 2010-2011 Budget provides appropriations to support operations of the City for the period July 1, 2010, through June 30, 2011, including salaries, wages, pension requirements, other employee benefits and other expenses, now therefore be it

1. RESOLVED, That the 2009-2010 Official Compensation Schedule be amended and changes in wages, fringe benefits, and other conditions of employment be applied according to the White Book, 2010-2011 Wage Adjustments, this Resolution, State Law, labor contracts approved by the City Council, and for non-union employees according to recommendations made by the Labor Relations Division of the Human Resources Department and approved by the City Council, or by Executive Order of the Mayor in accordance with Ordinance No. 35-92 and the Circuit Court decision in Case No. 92-22029-AW and otherwise according to the following stipulations and exceptions.

- a. Changes be applied to June 30, 2010 Official Compensation Schedule rates as listed in the published 2009-2010 Official Compensation Schedule and that pay rate computations resulting in total cents within a dollar shall be extended to the next higher dollar for salaried employees, and the next higher cent for hourly personnel, provided further that non-union salaried employees whose Official Compensation

5/21/10 - Approved (9-0) (M)

Schedule minimum and maximum rates are over \$20,000 per year, may, if these rates fall between even hundred dollar levels, upon recommendation of the Labor Relations Director, have these compensation schedule rates adjusted to the next higher hundred-dollar level.

- b. Unless otherwise specifically provided by action of City Council, the changes shall not apply to elected officials, temporary employees appointed outside of the classified service in special grant operations, or those whose rates of pay are otherwise set by law, contract, or on a per meeting, per call, consultant, or per clinic basis.
- c. Where application of the rate changes cause inequities, the Labor Relations Director may authorize compensating adjustments in pay to employees within the pay range for their classification if requested by the department head, and furthermore shall be authorized to make corrections in the 2010-2011 Official Compensation Schedule as required.
- d. Where percentage adjustments are provided, individuals in classes affected shall generally have their June 30 payroll rates changed by that percentage, provided that by agreement of the department and the Labor Relations Director, adjustments within the range may be stipulated and portions of changes may, for training or other

purposes, be provided only by the step increment approach or formula shown in the Official Compensation Schedule.

- e. Adjustments for non-union classifications paid at rates equal to the rates for the same or equivalent union classifications shall remain equivalent during the 2010-2011 fiscal year.
 - f. Where a wage settlement in a labor agreement disrupts a traditional wage relationship with non-union classifications, the Labor Relations Director shall have the authority to recommend to City Council special wage adjustments for the non-union classifications affected.
 - g. Where provisions have been made in the budget for an overall pay adjustment, the Budget Director is authorized to allocate such amounts among appropriations as necessary; and be it further
2. RESOLVED, That employee benefits and retirement provisions for non-union employees shall be in accordance with the City Council Resolution of October 2, 1974, J.C.C., p. 2142; November 16, 1977, J.C.C., p. 2538; August 6, 1980, J.C.C. p. 2057; August 5, 1981, J.C.C., p. 1957; January 6, 1984, J.C.C., p. 45; April 15, 1987, J.C.C., p. 813; November 15, 1989, J.C.C., p. 2627; August 4, 1999, J.C.C.; p. 2375; November 30, 2001, J.C.C. p. 3810; July

30, 2003, J.C.C. p. 2470; September 13, 2006, J.C.C., p. 2341; and February 11, 2010, otherwise as authorized by City Council through the 2010-2011 fiscal year; and be it further

3. RESOLVED, That the Finance Director and the Labor Relations Director continue the administration of salary and prevailing rates according to the rules as listed in the Official Compensation Schedule, and otherwise according to the City Council Resolution of July 13, 1954, J.C.C., p. 1713; and be it further
4. RESOLVED, That employee benefits contained in this Closing Resolution are permissive rather than mandatory for unionized employees; and be it further
5. RESOLVED, That all contracts covering unionized employees may, upon approval of the Director of Labor Relations, be extended beyond their expiration dates; and be it further
6. RESOLVED, That where no effective date is given in a resolution involving personnel procedures approved by the City Council of the City of Detroit, the effective date shall be the second Wednesday subsequent to passage of the resolution at the regular session, in accordance with the resolution of December 12, 1944, J.C.C., p. 2983; and be it further
7. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for restoration of lost time by City employees as a result of a reduced or reversed suspension or discharge, provided such action is recommended by the Labor Relations Director, and

otherwise in accordance with the resolution of March 11, 1969, J.C.C., p. 565; and be it further

8. RESOLVED, That employees be paid for out-of-class work according to negotiated agreements and in the absence of agreements upon recommendation of the department with approval of the Budget Director and the Civil Service Commission and otherwise in accordance with the resolution of September 17, 1968, J.C.C. p. 2269; and be it further
9. RESOLVED, That the program for bonus vacation for non-union uniformed Police personnel based on unused sick leave as set forth in the resolution of July 23, 1968, J.C.C., p. 1817, be and it is hereby extended through the 2010-2011 fiscal year; and be it further
10. RESOLVED, That for inactive titles under the old Police and Fire pension system, changes shall apply proportionately with changes in the active titles according to the City Charter and the J.C.C. resolution of September 9, 1953, p. 2235; and be it further
11. RESOLVED, That rates of pay applied to positions in the 2010-2011 Budget be subject to maintenance charges as approved by the City Council for all employees furnished living accommodations; and be it further
12. RESOLVED, That the Finance Director is hereby authorized to provide reimbursement to employees to the extent that they are subject to additional expense for insurance at

commercial rates exclusively by virtue of driving vehicles on City business and otherwise according to the City Council Resolution of November 12, 1968, J.C.C. p. 2728; and be it further

13. RESOLVED, That the Finance Director is hereby authorized to provide reimbursement of certain expenses to persons seeking or accepting employment with the City in accordance with the Resolution adopted by the City Council on February 7, 1996; and be it further
14. RESOLVED, That the Finance Director is hereby authorized to continue honoring payrolls for payment of unused sick leave to retirees, and others who separate from service in the required manner; all according to the City Council resolution of November 8, 1961; J.C.C. p. 2292, and July 20, 1971, p. 1686; August 5, 1981, p. 1957; and July 30, 2003, p. 2470; and be it further
15. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for allied class titles substituted for existing titles according to City Council resolutions of April 28, 1942, and January 9, 1945; and be it further
16. RESOLVED, That overtime credit shall be granted to employees working under the Extra Service title of Election Service Worker for all hours worked under the Extra Service title beyond eight (8) hours in one day; and be it further

17. RESOLVED, That reimbursement of private car mileage for non-union employees is authorized in accordance with the City Council resolution of October 2, 1974, J.C.C. p. 2142 and January 6, 1984, J.C.C. p. 45; August 4, 1999, J.C.C., p. 2375; and July 30, 2003, J.C.C. p. 2740; and September 13, 2006, J.C.C., p. 2341 be it further
18. RESOLVED, That the Labor Relations Director is hereby authorized and directed to amend the Official Compensation Schedule to incorporate changes covering title eliminations, specialties, and substitutions, and code number changes through Human Resources Department action when such changes do not necessitate additional appropriations or base rate changes; and be it further
19. RESOLVED, That the Finance Director is hereby authorized to continue honoring vouchers when presented by the departments involved for the purchase of uniforms as designated by the department and approved by the Labor Relations Director during the 2010-2011 fiscal year for employees with at least 90 days of service working in continuing assignments in the classes of Registered and Public Health Nurses and Medical Technologists, provided that such expenditure shall not exceed \$370 per annum per employee for Medical Technologists and \$370 per annum per employee for Registered and Public Health Nurses or that sum needed to provide such uniforms for the fiscal year, whichever is the least; and be it further

20. RESOLVED, That in addition to the above annual allowance, the Finance Director is hereby authorized to pay an initial uniform allowance of \$370 once only to each new employee in the various Public Health Nurse classes with at least 90 days of service; and be it further
21. RESOLVED, That uniformed Police personnel and uniformed Fire personnel continue to be provided with uniforms and such accessories as provided by the applicable collective bargaining agreements approved by the departments and the Budget Director within appropriations provided therefore; and be it further
22. RESOLVED, That regular City employees with at least 90 days of service working in continuing assignments recommended for consideration by department heads may be reimbursed not to exceed the sum of either \$170 for a clothing allowance or \$350 for a uniform allowance in any fiscal year in accordance with the J.C.C. of June 21, 1966, p. 1908, the J.C.C. of October 2, 1974, p. 2142, and the J.C.C. of July 30, 2003, p. 2470 for expenses arising out of the purchase of necessary protective clothing and accessories as provided by the applicable collective bargaining agreements as recommended by the departments and approved by the Labor Relations Director, provided finally that the above provisions and limitations shall not be applied to duplicate allowances or change existing policy or authorized practices with respect to other assignments or employees; and be it further
23. RESOLVED, That the Finance Director is hereby authorized to provide supplemental pay for the fiscal year as requested by departments for authorized encampments for City

employees in the armed forces in accordance with the City Council resolutions of February 13, 1963 J.C.C., p. 344, November 1, 1966, J.C.C., p. 3010; and February 13, 1980, J.C.C. p. 407; with the provision that the City shall not offset military pay and allowances for days the employee is not regularly assigned to work; and be it further

24. RESOLVED, That in the event of a hardship occasioned by an unexpected or untimely separation from service, the Finance Director upon recommendation of the Budget Director and the Labor Relations Director, is hereby authorized to honor lump sum payments from available funds for vacation leave, compensatory time credit, swing holidays and excused time credit, to which an employee is otherwise legally entitled; and be it further
25. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for the induction of employees in classifications designated with Step Code "D" and Step Code "R" at advanced step levels within the pay range according to a formula to be established by the Human Resources Director and approved by the Labor Relations Director; and be it further
26. RESOLVED, That upon request of the department and the recommendation of the Labor Relations Director and Budget Director, the Finance Director be authorized to permit the payment of salaried employees on an hourly basis and hourly employees paid on a salaried basis and to withdraw such permission as requested by the department; and be it further
27. RESOLVED, That the Finance Director is hereby authorized to honor payrolls for employees affected by the change over from standard time to daylight savings time in

accordance with the resolutions of April 24, 1973, p. 1073, provided that no overtime shall be paid to any employee affected until they shall actually have worked eight (8) hours; and be it further

28. RESOLVED, That in accordance with the City Council Resolution of February 11, 2010, newly hired non-union employees shall not be eligible for swing holidays; and be it further

29. RESOLVED, That the Finance Director is hereby authorized to pay employees their regular paycheck on the previous Thursday when a holiday is generally observed on Friday and on the preceding Wednesday when both Thursday and Friday of the same work week are holidays and otherwise in accordance with standard payroll procedures; and be it further

30. RESOLVED, That non-union uniform Police and Fire employees entitled to regular holidays under existing ordinances who have been employed for 90 days or more shall be entitled to an additional "swing" holiday, such holiday to be designated by the Fire Commissioner for Fire Fighting personnel assigned to 24-hour shifts; and for Police Personnel, eight (8) hours or one day of regular assignment to be liquidated at a time best suited to the convenience of both the employee and the department head; and be it further

31. RESOLVED, That employees assigned to an overall eight (8) hour day working on their required shift on "excused time" off days shall be credited with four (4) hours of

compensatory time for half-days, and eight (8) hours of compensatory time for full days worked; and be it further

32. RESOLVED, That the Finance Director, upon recommendation of the Labor Relations Director is hereby authorized to continue reimbursement of employees for articles damaged in the course of employment according to the City Council resolutions of December 19, 1961, J.C.C., p. 2657, and November 21, 1972, J.C.C. p. 2829 and p. 2855 as implemented by rules established by the Finance Director; and be it further
33. RESOLVED, That contractors hired under titles with pay ranges may receive pay increments within the range in accordance with their contracts with approval of the Finance Director, provided funds are available; and be it further
34. RESOLVED, That the various departments are hereby authorized to hire and pay Special Service employees at any rate within the range based upon formula established by the Human Resources Director, and otherwise according to the resolution of August 20, 1963, J.C.C., p. 2190, with the provision that step increments for these employees may be granted by the department head with the approval of the Human Resources Director and Budget Director in accordance with rules established for general City employees; and be it further
35. RESOLVED, That Special Service employees upon approval of the Labor Relations Director and the Finance Director, be granted fringe benefits in accordance with the Charter,

Ordinances, and the City Council resolution of August 23, 1966, J.C.C. p. 2433, provided that City Council reserves the right to adjust wages and fringes for Special Service employees during 2010-2011, and provided further that employees temporarily transferred to Special Service positions from the Regular Service shall continue to receive their regular service fringes; and be it further

36. RESOLVED, That upon interdepartmental transfer of employees, departments may make lump sum payments with supporting documentation within appropriations for unliquidated vacation time in excess of forty days (40), provided that the time cannot be properly liquidated, prior to the following month of August but not later than September 30th. Approval may be granted by the Budget Director and Labor Relations Director; and be it further
37. RESOLVED, That a tuition refund program shall be administered within appropriations provided for this purpose to a maximum of \$2,000 per employee per fiscal year, and otherwise according to rules and regulations of the Civil Service Commission as approved by the Budget Director and the City Council; except that, in accordance with the City Resolution of February 11, 2010, the City's Tuition Refund Program is suspended for the balance of the 2008 – 2012 contract period and there shall be no reimbursement/payment for course work or employment development program ending after December 31, 2009; provided that effective July 1, 2012, employees must have a minimum of three (3) years of service to qualify for participation in the City's Tuition Refund Program; and be it further

38. RESOLVED, That unless specifically covered by labor contract, when an employee is called to work an unscheduled shift or overtime, he shall receive the overtime for the hours worked or a minimum of four (4) hours on a straight time basis, whichever is greater, and otherwise according to the resolution of the City Council of May 29, 1962, J.C.C., p. 1186; and be it further
39. RESOLVED, That the Finance Director is hereby authorized to provide that employees departing on vacation leave of five (5) days or more shall be granted a pay advance if the vacation extends beyond their next payday, provided a written request is made to the department head or his representative at least five (5) days in advance of the employee's last day of work; and be it further
40. RESOLVED, That City departments are hereby authorized to provide for mailing of paychecks to employees not assigned to work on paydays; provided employees affected direct a written request to their department head or representative by noon two days prior to payday; and be it further
41. RESOLVED, That the Finance Director is hereby authorized to pay \$10,000 to the beneficiaries or estate of employees who are killed or who die as a result of injuries sustained in the actual performance of their duties or who are permanently disabled in the

line of duty and otherwise in accordance with the City Council Resolutions of August 3, 1977, J.C.C. page 1638; and be it further

42. RESOLVED, That the Finance Director is hereby authorized and directed to continue funding for an Eye Care Program for non-union employees in accordance with the City Council Resolution of November 27, 1970, p. 2981; and be it further
43. RESOLVED, That the Finance Director is hereby authorized and directed to continue funding for an Eye Care Program for retirees of the General Retirement System and their spouses in accordance with budget appropriations and administrative practices beginning on July 1, 1973, and as amended effective January 1, 1991, and until such time that it may be amended or terminated by the City Council; and be it further
44. RESOLVED, That the Finance Director is hereby authorized and directed to continue funding for dental coverage for retirees and their spouses in accordance with budget appropriations and administrative practices beginning January 1, 1990, and until such time that it may be amended or terminated by the City Council; and be it further
45. RESOLVED, That apprentices will receive their designated pay increments every six (6) months upon recommendation of the department and approval of the Human Resources Department Training Division provided that they have been satisfactorily participating in related instruction and on-the-job training, in accordance with the standards established for

that trade, during the six (6) month period immediately preceding the date of the increment, said increments will be paid effective on the date of the completion of the training period; and be it further

46. RESOLVED, That rates of pay for contractual Dentists and allied classes shall continue to be governed by the provisions of the City Council resolution of November 15, 1966, p. 3145; and be it further

47. RESOLVED, That vacation time, no matter how earned, shall not be allowed to accumulate in amounts exceeding forty (40) days on any October 1st date, exclusive of any vacation time earned between July 1 and the following September 30, and otherwise in accordance with the City Council Resolution of May 27, 1969, J.C.C. P. 1258 as amended; and be it further

48. RESOLVED, That non-civilian Police Executives shall be eligible for those benefits authorized by the City Council resolutions of November 4, 1981, p. 2665; May 17, 1982, p. 1228; November 5, 1986, p. 2096; June 24, 1987, p. 1471; January 30, 1991, p. 214; and November 8, 2000, p. 2741; and be it further

49. RESOLVED, That retirees and their spouses in the General Retirement System shall continue to be covered by Major Medical Hospitalization benefits as authorized by the City

Council resolution of June 21, 2006, J.C.C., p. 1611 until such time that it may be amended or terminated by the City Council; and be it further

50. RESOLVED, That retirees and their spouses in the Police and Fire Retirement System shall continue to be covered by major Medical Hospitalization benefits in accordance with budget appropriations and administrative practices as authorized by the City Council resolution of June 21, 2006, J.C.C., p. 1611 until such time that it may be amended or terminated by the City Council; and be it further
51. RESOLVED, That non-union civilian employees shall receive five (5) days of reserve sick leave on July 1, and be eligible for bonus vacation of up to six (6) days provided they have fifty (50) days of sick leave in their banks on July 1, or be eligible for bonus vacation of up to three (3) days provided they have twenty-five (25) days of sick leave in their banks on July 1; except that in accordance with the City Council Resolution of February 11, 2010, new employees shall not be eligible for bonus vacation days; and be it further
52. RESOLVED, That an administrative fee of one percent (1%) of property taxes shall continue to be imposed, to be used to offset the costs incurred in assessing and collecting the property tax and in the review and appeal process; and be it further
53. RESOLVED, that as required by the provisions of Public Act 399 of 1984, a one-half of one percent (1/2%) per month interest charge on delinquent real and personal property taxes shall

continue to be imposed from the time such property tax became due and payable until such tax is paid in full, all in accordance with Chapter 18, Division 6, Article 9, Sections 89 through 93 of the Detroit Municipal Code; and be it further

54. RESOLVED, That as required by the provisions of Public Act 399 of 1984, a one percent (1%) per month penalty on delinquent real and personal property taxes shall continue to be imposed from the time that the property tax became due and payable, until such tax is paid in full, and the penalty shall not exceed a total of twenty-five percent (25%) of the unpaid tax, all in accordance with Chapter 18, Division 6, Article 9, Section 94 through 100 of the Detroit Municipal Code; and be it further

55. RESOLVED, That as permitted by the provisions of Public Act 399 of 1984, interest and penalty from February 15 to the last day of February on a summer property tax which has been deferred is hereby waived for the homestead property of a senior citizen, paraplegic, quadriplegic, eligible serviceman, eligible veteran, eligible widow, totally and permanently disabled person, or blind person as those persons are defined in Chapter 9 of Public Act 281 of 1967, as amended, if the person makes a claim before February 15 for a credit for such homestead property as provided by Chapter 9 of Public Act 281 of 1967, as amended, presents a copy of the form filed for that credit with the City Treasurer, and if the person has not received the credit before February 15; and be it further

56. RESOLVED, That the Finance Director, Deputy Finance Director, or his/her designee(s) is hereby authorized to continue making the necessary accrual adjustments for Compensated Employee Absences and Damage Claim Payments as a part of the 2010-2011 Fiscal Year closing process in compliance with the provisions of the National Council on Governmental Accounting Statement Number Four, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences" and Governmental Accounting Standards Board Statement No. 16 "Accounting for Compensated Absences"; and be it further
57. RESOLVED, That the Finance Director, or his/her designee(s), be and is hereby authorized and directed to purchase, sell or exchange securities representing investments of cash balances as permitted by law, and in accordance with written policies established by the Finance Director and placed on file with the Office of the City Clerk, and that the Treasurer be and is hereby authorized and directed to disburse or deposit funds accordingly and to accept receipts for holding securities in lieu of definitive certificates; and be it further
58. RESOLVED, That the Finance Director is hereby authorized to appropriate investment earnings on bond proceeds to fund the cost of bond issuance expenses; and be it further
59. RESOLVED, That the Finance Director is hereby authorized to disburse funds, allocate bond proceeds and make any and all necessary declarations for the purpose of complying with applicable law and specifically with the reimbursement rules and regulations of the U.S.

Department of Treasury pursuant to the Internal Revenue Code of 1986, as amended, with respect to projects identified herein, which projects are to be permanently financed from proceeds of debt to be incurred by the City; and be it further

60. RESOLVED, That the following Departments, in the specified maximum amounts be authorized, for the 2010-2011 Fiscal Year only, to contract for Personal Services Contractors, in accordance with the procedure previously approved by Council (J.C.C., 2-8-89):

Recreation	\$200,000
Health	\$200,000

The total compensation for any one contractor cannot exceed \$3,500 during the fiscal year without execution of a formal contract, individual rates shall not exceed established rates for the classification of Personal Services Contractor - Grade III, and standard City requirements for tax and budget clearances and residency will be honored. All previous standing authorizations for such contracting are hereby rescinded; and be it further

61. RESOLVED, That as actual collections are received through June 30, 2011 from Account No. 13-7512 - Fire Insurance Escrow - P.A. 495, they are hereby authorized to be appropriated in the proper general fund or block grant account; and be it further

62. RESOLVED, That to properly consolidate and account for departmental vehicle acquisitions and replacements in the vehicle appropriation 35-10633, the necessary account transfers and the adjustments are hereby authorized; and be it further
63. RESOLVED, That the Finance Director is hereby authorized and directed to disburse the necessary funds as adopted and appropriated in the 2010-2011 Budget to the Charles H. Wright Museum of African American History, Zoological Institute, Detroit Institute of Arts, Detroit Port Authority, Historical Museum and Recreation-Northwest Activity Center, be it further
64. RESOLVED, That the Budget Director is authorized and directed to establish processes, records, transfers and/or accounts necessary to implement and facilitate any reorganization of department functions or activities within the city budget; and be it further
65. RESOLVED, That the Finance Director is hereby authorized and directed to honor payrolls in accordance with this resolution.

Ord. Serio. #2

ADOPTED AS FOLLOWS:
COUNCIL MEMBERS...

		YEAS	NAYS	YEAS	NAYS
Gary	BROWN	✓		✓	
Kenneth V.	COCKREL, JR	✓		✓	
Saunteel	JENKINS	✓		✓	
Brenda	JONES	✓		✓	
Kwame	KENYATTA	✓		✓	
Andre L.	SPIVEY	✓		✓	
James	TATE	✓		✓	
Jo Ann	WATSON	✓		✓	
Charles	PRESIDENT PUGH	✓			
* PRESIDENT PRO TEM.				9	0
9-0					